United Nations A/AC.109/2007/5

General Assembly

Distr.: General
14 March 2007

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Turks and Caicos Islands

Working paper prepared by the Secretariat

Contents

		Paragraphs	Page
I.	General	1–5	2
II.	Constitutional, legal and political issues	6–19	2
III.	Budget	20–27	5
IV.	Economic conditions	28–51	6
	A. General	28–31	6
	B. Tourism	32–33	7
	C. Financial services	34–39	7
	D. Agriculture, fisheries, construction and manufacturing	40–45	8
	E. Infrastructure	46–51	9
V.	Social conditions	52–65	10
	A. Immigration and labour	52–55	10
	B. Education, youth and sports	56–59	11
	C. Health	60–62	11
	D. Crime	63–65	12
VI.	Relations with international organizations and partners	66–70	12
VII.	Future status of the Territory	71–75	13
	A. Position of the territorial Government	71	13
	B. Position of the administering Power	72–74	13
	C. Action by the General Assembly	75	15

07-26955 (E) 050407

I. General

1. The Turks and Caicos Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland.[1] The Territory comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Six islands are permanently inhabited: Grand Turk, where the administrative capital, Cockburn Town, is located; Providenciales, the business and tourist centre; North, Middle and South Caicos; and Salt Cay. The area of the Territory is 948.2 square kilometres.[2]

2. The Turks and Caicos Islands were discovered by the Spaniards in 1512. From 1874 to 1959, the Islands were governed by the United Kingdom as a dependency of Jamaica. They became a separate colony of the United Kingdom in 1962, under the control of the Bahamas. When the Bahamas achieved independence in 1973, the Turks and Caicos Islands were placed under a British Governor stationed in Grand Turk.[3]

3. As reported previously, the British Overseas Territories Act 2002 provided for the right to British citizenship of the citizens of all United Kingdom Territories, including the Turks and Caicos Islands.[4]

4. In 2006, the total population of the Territory was estimated at 33,202.[4] This represents a large increase over the 2001 figure of 19,886 and is due mainly to immigration. Some 21,500 individuals, mostly from Haiti and the Dominican Republic, as well as the United States of America, Canada, the United Kingdom and other European countries, are considered "non-belongers".[5] Approximately 11,750 citizens of the Turks and Caicos Islands, the so called "belongers", have the right to vote and to stand in general elections.

5. Nearly two thirds of the population (24,348) and the majority of the expatriate community (17,749) reside on Providenciales.[5] The second largest population centre is Grand Turk, with approximately 5,718 inhabitants, followed by North, Middle and South Caicos, Salt Cay and Parrot Cay.[5] The capital has a population of about 4,000. The majority of the Territory's population is of African descent, the rest being of mixed or European origin. English is the main language, with some Creole spoken by Haitian immigrants. The main religion is Christianity.[3]

II. Constitutional, legal and political issues

6. The Turks and Caicos Islands has a ministerial system of government. Under the new Constitution that came into force on 9 August 2006, there continues to be a Governor in the Territory appointed by the administering Power.[3] The current Governor is Richard Tauwhare, who was sworn into office on 11 July 2005.

---

[1] The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[2] www.depstc.org/quickstats/qstat1.html, accessed 8 February 2007.

[3] Information transmitted by the administering Power, 9 January 2007.

[4] See A/AC.109/2006/15.

[5] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 19.

7. Following the adoption of the Constitution, the position of Deputy Governor was created. The Deputy Governor must be a "belonger" and is appointed by the Governor. The first Deputy Governor was appointed on 9 August 2006.[6]

8. The Executive Government consists of a Cabinet, in place of an Executive Council, and a Premier, in place of a Chief Minister. The Governor as Chairman, the Premier, six other Ministers and the Attorney General make up the Cabinet. The Governor remains responsible for external affairs, defence, internal security, including the police force, and some public service matters, including the regulation of international financial services, and consults with the Cabinet as necessary. The Advisory National Security Council, chaired by the Governor, has been established to make recommendations on national security issues. Ministers continue to have responsibility outside those areas reserved for the Governor. The Governor acts in accordance with the advice of the Cabinet on those issues unless instructed to do otherwise by the Secretary of State on behalf of the administering Power.

9. Moreover, under the 2006 Constitution, the House of Assembly has replaced the Legislative Council, and consists of a Speaker, 15 elected members (2 more than under the previous Constitution), 4 appointed members and the Attorney General.[3]

10. The legal system is based on English Common Law. Under the provisions of the new Constitution, it continues to include magistrates' courts, the Supreme Court and the Court of Appeal, with ultimate recourse to the Privy Council. On the advice of the newly established Judicial Service Commission, the Governor appoints judges and magistrates. The Attorney General and Chief Justice were recently recruited from the United Kingdom.[3]

11. The new Constitution was negotiated as a result of the 1999 United Kingdom Government White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories".[7] The White Paper required the Territories to amend their local legislation, in particular on human rights and on the regulation of financial services, in order to meet international standards. The British Overseas Territories Act 2002 came into force in May 2002.[8]

12. In September 2002, the Constitutional Modernization Review Body presented its report which, inter alia, reflected public concerns and made recommendations related to limiting the powers of the Governor and creating a permanent Deputy Governor position, as well as other recommendations regarding the executive, legislative and judicial organs of the Territory. An issue of importance to the Turks and Caicos Islands was the degree of self-government, and the issue of full internal self-government was raised. The United Kingdom maintained the position that a constitution encompassing a full measure of internal self-government (e.g. a "Bermuda-style" constitution) was a "pre-independence" constitution. The policy of the United Kingdom was clear: Territories could exercise that choice, where it was an option, and as long as it was the clearly expressed wish of the people of the Territory. While it maintained a relationship with the Territory, however, the United Kingdom would have to retain sufficient powers to protect its overall responsibility

[6] www.turksandcaicosislands.gov.tc, 14 August 2006.

[7] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; see A/AC.109/1999/1, annex.

[8] See A/AC.109/2006/15, www.opsi.gov.uk, explanatory memorandum to the Turks and Caicos Islands Constitution Order 2006 (Statutory Instrument 2006 No. 1913).

for the Territory concerned. Once the Review Body explained that a decision to advance full internal self-government would have to be accompanied by the setting of a timetable for independence, there was little support in the Territory for independence.[3] The text of a new Constitution was agreed upon between the United Kingdom and the Turks and Caicos Governments in October 2005.[8]

13. On its part, from 2 to 7 April 2006, at the request of the territorial Government, the Special Committee of 24 sent a mission to the Turks and Caicos Islands to assess the situation on the ground and to inform interested groups and the public on matters of self-determination, the first to the Territory since 1980. The report of the special mission indicates that the establishment of a ministerial Government, which emerged from the 1976 Constitution, provided for a modicum of autonomy. After a political crisis, the Constitution was suspended in 1985 and direct rule by the administering Power was imposed. A less autonomous Constitution was given to the Territory in 1988, which was the subject of the recent constitutional review.[9]

14. Addressing the issue of specific political options in its report, the special mission found that the policy of the administering Power not to offer integration or free association had made the matter more complex. As a result, many people in the Turks and Caicos Islands appeared to have dismissed those options, even after it was explained that such alternatives were available for the Territory with other countries. Paradoxically, it is important to note that the political leadership of the governing party has been engaged in discussions with Canadian officials on a possible free association arrangement, as evidence that the availability of options with countries other than the administering Power is very much understood at the highest political levels. However, the general lack of awareness of the people of the political options available to them and of the process of self-determination in general was seen as being a function of insufficient information on all aspects regarding the achievement of self-government.[10]

15. In consultations with the Government of the United Kingdom in April 2006, the Premier reportedly emphasized that the goal of the Turks and Caicos Islands was for eventual independence when the people of the country were ready for it, adding "[...] it's my party's position not to seek independence at this time." The focus for the territorial Government was on economic independence as well as on building and modernizing the Territory. The same month, Overseas Territories Minister Lord Triesman, who had represented the administering Power in the October 2005 negotiations, visited the Turks and Caicos Islands. Excerpts from his policy statement are presented in chapter VII below.[10]

16. Public meetings, media exposure and a debate in the Legislative Council took place in May 2006 and assured the Government of the United Kingdom that the Constitution had the broad support of the peoples of the Islands. The draft of the new Constitution was referred to the Privy Council and Parliament for approval in July 2006, after which it came into force on the day appointed by the Governor (9 August 2006).[11]

---

[8] See A/AC.109/2006/19.

[9] Information transmitted by the administering Power, 9 January 2007; www.caribbeannetnews.com, 28 April 2006.

[10] www.opsi.gov.uk, explanatory memorandum to the Turks and Caicos Islands Constitution Order 2006 (Statutory Instrument 2006 No. 1913).

17. There are two main political parties in the Territory: the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980, respectively.

18. For the general elections in 2007, the House of Assembly adopted the decision to increase the number of constituencies from 13 to 15 in order to take into account the increased population on Providenciales.[12]

19. The most recent general election was held on 9 February 2007 with a voter turnout of 85 per cent.[13] The ruling PNP under Premier Misick won 13 seats, against 2 won by PDM.[14] The new Cabinet was sworn in by the Governor on 12 February 2007.[15]

III. Budget

20. The budget is projected on a triennial basis, with annual revisions. The fiscal year covers the period from April to March.[16]

21. The 2006/07 budget address, presented by the Minister of Finance on 8 May 2006, outlines à total of recurrent expenditures of approximately US$ 180 million, which represents an increase of $36 million, or 26 per cent, over the 2005/06 figure. Furthermore, recurrent revenues of $192.5 million, or a 20 per cent increase over 2005/06, are expected. At the end of the 2005/06 fiscal year, there was a surplus of $17.5 million. The projected surplus for the 2006/07 fiscal year is $12.9 million.[17] Nevertheless, there continues to be an accumulated deficit of $26.6 million.[18]

22. Locally financed development projects are forecasted to average $33.5 million during fiscal year 2006/07, registering an increase of $10.3 million.[19]

23. The distribution of expenditures across ministries is comparable with that of the past, comprising principal allocations to the Ministry of Finance and Health (31.9 per cent), the Ministry of Education, Youth, Sports and Social Development (19.4 per cent) and the Office of the Chief Minister and Ministry of Development (15.3 per cent). The Royal Turks and Caicos Islands Police Force is being allocated 7.9 per cent of total current expenditure, which is an increase of one-half per cent over 2005/06.[20]

24. Ninety-one per cent of revenues are made up of taxes (39 per cent), fees (36 per cent) and charges (16 per cent), the majority of which would be collected in sectors related to tourism, construction and real estate, followed by the financial service sector. Major sources of revenues are import duties in connection with housing construction (projected at $67.5 million, which is an increase of about 21 per cent over 2005/06), stamp duties on land transactions ($40 million, or a

[12] www.tcifreepress.com, 13 January 2007.
[13] Ibid., 22 February 2007.
[14] www.caribbeannetnews.com, 12 February 2007.
[15] www.tcifreepress.com, 15 February 2007.
[16] Social and economic indicators 2005, Caribbean Development Bank, Economic Department, April 2006.
[17] 2006/07 Budget Address, May 2006, p. 12, 21.
[18] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 61.
[19] 2006/07 budget address, May 2006, p. 34.
[20] Ibid., p. 26.

26 per cent increase), accommodation taxes ($17 million, or a 24 per cent increase) and work permit fees ($19.5 million, or a 6 per cent increase).[21]

25. While the overall economy of the Territory has made great progress over the past 20 years, the Government has acknowledged the need to address considerable imbalances among the various islands and social groups. One measure taken was the launch of a 10-Year National Development Plan on 27 October 2005, reported in the previous working paper, with the aim of providing a long-term vision for the Territory's development and a strategic framework for government and private sector activities.[22] The Plan consists of a series of three-year cycles linked to the Public Sector Investment Programme and a recurrent expenditure programme.[23]

26. In recent years, the Turks and Caicos Islands have received funding from the European Union and multilateral agencies, in addition to funds from the United Kingdom. For instance, at the end of 2003, the Overseas Territories Environment Programme was launched as a joint initiative of the Foreign and Commonwealth Office and the Department of International Development of the United Kingdom. A total of £3 million was allocated for the programme, benefiting the Department of Environment and Coastal Resources.[3]

27. Under the European Development Fund (EDF)-9, the Turks and Caicos Islands is scheduled to receive grant funding of about $13 million as general budget support to assist the Government in implementing transport sector projects. There are also ongoing discussions on future European assistance to the Islands under EDF-10 that would start in January 2008.[24]

IV. Economic conditions

A. General

28. Since the 1980s, the main sectors of the economy have been upmarket tourism, international financial services, fishing, property development and real estate. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main focus of investment activity is the island of Providenciales.[25] The territorial Government levies no taxes on corporate or personal income, capital gains or inheritance. The United States dollar is the official currency of the Turks and Caicos Islands.

29. According to the administering Power, the economy is buoyant. In 2005, the gross domestic product (GDP) grew by 14 per cent to $479.9 million, an increase from $421.3 million in 2004, and GDP per capita was $15,683. The projected figure for 2006 was $533 million. Tourism and related real estate development, predominantly in Providenciales, account for 50 per cent of GDP, and the financial services sector account for 10 per cent.[26] The Department of Economic Planning

[21] Ibid., pp. 25-26.

[22] www.depstc.org, press release, May 2006.

[23] "Launch of the Ten-Year Development Plan for the Turks and Caicos Islands", by Mr. Hall, 27 October 2005, www.depstc.org.

[24] www.depstc.org, press releases, November 2006.

[25] www.eiu.com, Country profile, Turks and Caicos Islands Main report, 7 June 2006.

[26] Economic survey of the Caribbean 2005-2006, October 2006 (http://www.eclac.cl/cgi-bin/getProd.asp?xml=/publicaciones/sml/9/26989.xml&xsl=/portofspain/tpl-i/p9f.xsl&base=/portofspain/tpl-i/top-bottom.xslt.

and Statistics of the territorial Government reported that agriculture and fishing contributed $5.5 million, industries $74.2 million and services $358.7 million to GDP in 2005.[27]

30. The tourism and construction boom is now spreading to the Caicos Islands and Grand Turk. The territorial Government is investing heavily in infrastructure projects, such as roads, ports and airports, across the country. It is also investing in a project for two new hospitals, on Grand Turk and Providenciales.[3]

31. In comparison to the period 1990-2004, in which the unemployment rate never fell below 12 per cent, the rate in 2005 is 8 per cent. Providenciales has almost full employment, whereas on the other islands, unemployment varies between 14 and 20 per cent. Thus, inter-island migration, in search of work, is common.[3] In spite of unevenly distributed growth among the constituent islands, the economic well-being of the population improved considerably.

B. Tourism

32. The Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. Tourist arrivals increased from 78,957 in 1995 to approximately 200,000 in 2006.[28] The tourists come mostly from the United States (77 per cent of total visitors), followed by Canada (10 per cent) and the European Union (8 per cent).[29] The vast majority of arrivals (84 per cent) are accommodated at resorts on Providenciales. The $35 million Carnival cruise ship port project in Grand Turk was completed in 2006. With several cruise ships stopping every week, the terminal has brought economic opportunities for small businesses and traders in Grand Turk, boosting the economy on the island[3] far beyond expectations, with 295,000 passengers visiting the port in the first year.[30]

33. Hotel occupancy reached a record level in 2005 with a year-long average of 60 per cent of available room-nights occupied.[31]

C. Financial services

34. Financial services, including company registration, trust business and insurance, are the second largest source of external revenue after tourism and the third largest employer in the Turks and Caicos Islands.

35. According to the administering Power, constitutional responsibility for the Territory's offshore finance sector continues to rest with the Governor.

36. The use of the United States dollar as the official currency continues to be among the attractions for offshore companies, together with the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality. Several

[27] www.depstc.org, labour and employment statistics.
[28] www.tcifreepress.com, accessed 9 February 2007.
[29] www.eiu.com, country profile, 7 June 2006.
[30] www.travelvideo.tv/news/comments.php, 11 January 2007.
[31] www.caribbeannetnews.com, 3 March 2006.

pieces of new legislation to enhance the regulatory framework are being prepared for adoption.[32]

37. However, according to the Main Situational Analysis Report, there was a decline in the financial services industry during the period 2000-2004, even though in 2005 an improvement was recorded, with 17,496 offshore financial services companies registered in the Territory. In view of the overall five-year decline, questions have been raised about the continued viability and future role in the economy of the financial sector.[33]

38. The Territory was among the 35 jurisdictions listed in 2000 by the Organization for Economic Cooperation and Development (OECD) as tax havens, and was removed in 2002 after committing to adhere to the OECD principles of transparency and effective exchange of information by the end of 2005. As one of its subsequent efforts, in 2003, the territorial Government created a Financial Services Commission to oversee banking, insurance and other financial services, separating the regulatory function from the Ministry of Finance.[3]

39. As reported in the previous working paper, in July 2005, the European Union's savings tax directive was brought into Turks and Caicos law.[34] Nevertheless, the negative impact of the OECD Initiative on Harmful Tax Competition, together with that of the European Union Savings Tax Directive and other measures, have been considered as factors contributing to the recent decline in the Territory's financial services industry for the first half of the decade.[35]

D. Agriculture, fisheries, construction and manufacturing

40. Agricultural production, based mostly on North and Middle Caicos, is small and consists mainly of subsistence-type farming.[36] The sector has begun to grow recently, with more produce available for sale on Providenciales and the establishment of a new farmers' cooperative. About 20 per cent of the working population is involved in agriculture and fishing.[27] Efforts are being made to develop an agricultural policy to assist local farmers and promote substitution for some food items that are currently imported. Investment in high-value, specialty export activities, such as fin-fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture, has great potential. Fishing, a traditional activity, is the only significant productive sector and contributes 2 to 3 per cent to GDP.[3]

41. Conch and lobster are the main catches. According to the administering Power, the Turks and Caicos Islands is home to the world's only commercial conch farm, where domestic conch is raised for export. Several fish farms are being developed on an experimental basis to produce tilapia for international markets. At the same time, the demand for local farm produce exceeds the supply.[3]

42. The Department of Environment and Coastal Resources announced that it will launch an environmental awareness campaign in 2007. Among the first projects is a

[32] Information transmitted by the administering Power, 9 January 2007; Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 51.

[33] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 51.

[34] See A/AC.109/2006/15. Information transmitted by the administering Power, 9 January 2007.

[35] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 52.

[36] Ibid., p. 55.

strategy to target businesses and define their role in the Territory's conservation efforts.[37]

43. Several international construction companies are based in the Turks and Caicos Islands. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.[27] According to the latest real estate sales figures, strong increases in high-value transactions can be detected. In 2006, the gross number of sales (157) rose by 44 per cent over 2005, with a total value of $83 million.[38] The new tourist properties completed in 2006 are located mainly in Providenciales.[39]

44. As reported in the previous working paper, in February 2006, the Government launched the Territory's first affordable housing programme, open to all local citizens and residents. The goal of the programme is to provide from 70 to 500 homes.[40] At the beginning of 2007, the first 107 people moved into their homes in the public housing project in Blue Hill, Providenciales.[41]

45. The production of local goods, such as handicraft, has grown in tandem with the vast economic development and tourism.[42] The only other manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from certain duty preferences.[3]

E. Infrastructure

46. Transport and communication facilities are of a fairly good standard. The road network covers about 120 kilometres, with 24 kilometres of paved roads on Grand Turk, Providenciales and the Caicos Islands.[27] European Development Funds have been secured to build a new causeway to link the two largest Caicos islands (North and Middle). Following the completion of its construction, a tarmac road network from the western tip of North Caicos to the eastern tip of Middle Caicos will be built.[27]

47. There are airports capable of handling international flights on Providenciales and Grand Turk, with flights available to the Bahamas, Haiti, the Dominican Republic, Jamaica, the United Kingdom and the United States.

48. Domestic inter-island air services are provided by Skyking, Turks and Caicos Airways and some local charters. North, Middle and South Caicos each have paved airstrips. North and South Caicos have projects under way to lengthen and resurface their runways for larger jets.[43]

49. The main commercial port (South Dock) is situated in Providenciales. Grand Turk also has a commercial port. A new deep water port is under construction in North Caicos.[3]

---

[37] www.caribbeannetnews.com, 20 February 2007.
[38] www.turksandcaicosproperty.com, accessed 31 January 2007.
[39] 2006/07 budget address, May 2006, p. 25.
[40] See A/AC.109/2006/15.
[41] www.tcifreepress.com, 27 January 2007.
[42] www.tcinvest.tc/manufacturing.htm.
[43] Information transmitted by the administering Power, 9 January 2007; www.eiu.com, country profile, 7 June 2006.

50. As reported in the previous working paper, Cable and Wireless, a British telecommunications company, used to provide all domestic and international telephone services in the Territory. In July 2004, the Telecommunications Bill introduced gradual liberalization of the sector and created a commission to regulate the industry. With the liberalization of the telecommunications industry, Digicel is now operating in the Territory in direct competition with Cable and Wireless. This has extended the range of services available and improved mobile phone coverage. A third operator — Island.com — is preparing to apply for a licence.[44]

51. There are 12 cable television channels on Grand Turk and 32 on Providenciales, and 6 radio stations. There are no daily newspapers. *The Free Press*, the *Turks and Caicos News* and the *Turks and Caicos Sun* are published weekly. The *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly.[27]

V. Social conditions

A. Immigration and labour

52. The new draft legislation on immigration is being prepared. As previously reported, at the beginning of 2004, the Immigration Review Commission presented a report containing proposals for changes in the immigration laws to bring the Turks and Caicos Islands in line with similar laws of the countries in the region. The Chairman of the Commission reported that changes to the immigration law had become necessary owing to a substantial increase in the resident population of the Territory fuelled by rapid economic growth. This population increase has had a significant impact on the health, education and other social services requirements in the Islands.[36]

53. As reported in the previous working paper, some social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.[36]

54. The vast majority of the total number of people employed (12,371 of 17,442) were engaged in services, followed by industries (2,929) and agriculture and fishing (247). The second largest group of employees besides Turks and Caicos islanders were Haitians, comprising 3,364 in 2005.[45]

55. Under the Employment Ordinance 2004, beginning on 1 December 2006, the Turks and Caicos Islands have a minimum basic wage of $5 per hour.[46]

[44] Information transmitted by the administering Power, 9 January 2007; www.eiu.com, country profile, Turks and Caicos Islands, main report: 7 June 2006.

[45] www.depstc.org, labour and employment statistics.

[46] www.caribbeannetnews.com, 1 December 2006.

B. Education, youth and sports

56. Education in the Territory is free and compulsory for children from 5 to 16 years of age. There are 14 Government-run primary schools and four Government-run secondary schools. The pupil-teacher ratio averages 25:1. There are also a number of private schools. As to higher education, there is also a community college with branches on Grand Turk and Providenciales that provides two-year courses, mostly in vocational subjects. The adult literacy rate is 98 per cent.[3]

57. The increased amount of projected expenditure for the 2006/07 fiscal year includes an increase in the support to the Sports Commission to $818,396 and in scholarship costs to $13 million.[47] The United Kingdom announced that as from 2007, citizens from the Overseas Territories will benefit from the home student fee rate at English universities.[48]

58. The Territory opened its first hotel school on 6 January 2007, which offers specialized courses to help the interested Turks and Caicos islanders enter the tourist industry.[49]

59. For the first time in history Turks and Caicos Islands will host the Caribbean Free Trade Association Games, on Providenciales on 6 and 7 April 2007.[50]

C. Health

60. The public hospital network is comprised of the main facility, the Grand Turk Hospital and the Myrtle Rigby Health Clinic, both located on Providenciales. There are nine community health clinics on six islands: a 30-bed health complex on Grand Turk; a government clinic on Providenciales; two clinics on each of Middle Caicos and Caicos; and a clinic on each of South Caicos and Salt Cay.[51]

61. For anything other than basic health care, Turks and Caicos islanders receive treatment in Miami, United States, at the expense of the territorial Government. The Government is investing in a project to build two new hospitals on Grand Turk and Providenciales which will provide 20 and 60 new hospital beds on those islands, respectively. The costs will be partially funded by a new National Insurance Scheme.[3]

62. The 2005/06 budget provided approximately $28 million to health services compared with $15 million the previous fiscal year.[52] Health represented an area of major cost overruns during the period 2005/06.[53] An effort to contain costs will be the establishment of the new Dialysis Unit on Providenciales, which would lessen inter-islands travel costs. The budget for drugs and medicine at the Grand Turk

---

[47] 2006/07 budget address, May 2006, p. 28.

[48] http://www.fco.gov.uk, 23 November 2006, Lord Triesman, Overseas Territories Minister, eighth meeting of the Overseas Territories Consultative Council on 21 and 22 November 2006.

[49] www.suntci.com, 2 February 2007.

[50] www.jonesbahamas.com, 18 April 2006.

[51] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 81.

[52] 2006/07 budget address, May 2006, p. 27; Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 83.

[53] Kairi Consultants Limited, Main Situational Analysis Report, October 2006, p. 83.

Hospital and Myrtle Rigby Health Complex has been increased to $800,000 and $650,000, respectively.[54]

D. Crime

63. The Territory is confronted with two principal problems related to crime, drug trafficking and illegal immigration, mostly from Haiti. The territorial Government has invited the Government of Haiti to negotiate a memorandum of understanding covering the smuggling of Haitians and their return. On a monthly average, 400 persons arrive in the Territory by boat, predominantly on Providenciales, where some seek work and others try to move on to the Bahamas or the United States. The Police Department is actively engaged in border control and the detection and return of illegal immigrants, with additional vehicles, aircraft, equipment and staff used for detecting illegal migrants, and boats to patrol Turks and Caicos territorial waters to counter illegal migration and fishing.[55]

64. Other problems include the increase in criminal activities among children and teenagers and the rise of serious criminal cases over the past two years to 61 in 2006. The number of children under 15 years of age who committed crimes doubled during the period 2005-2006; 18 children were arrested and charged in the first half of 2005 as compared with 9 in 2006.[56] According to the Supreme Court of the Turks and Caicos Islands, the fivefold increase in the number of cases still does not reflect the full extent of criminal activities taking place.[57] With regard to juvenile delinquency, the territorial Government wants to develop a juvenile facility in cooperation with the Northern Caribbean University in Mandeville, Jamaica.[58]

65. Information on the applicability of the United Nations Convention against Corruption is contained in paragraph 69 below.

VI. Relations with international organizations and partners

66. In March 2006, the Turks and Caicos Islands was granted associate membership in the United Nations Economic Commission for Latin America and the Caribbean.[20] The Islands are expected to be admitted as an associate member of the Commission's Caribbean Development and Cooperation Committee at its next ministerial session, to be held in January 2008.[59]

67. The Turks and Caicos Islands is an associate member of the Caribbean Community and of the Association of Caribbean States.[60] The Territory is a member of the Caribbean Development Bank and the International Criminal Police Organization (Interpol). According to the administering Power, closer links are being sought with the Organisation of Eastern Caribbean States and with the neighbouring Bahamas.[3]

---

[54] 2006/07 budget address, May 2006, p. 27.

[55] Information transmitted by the administering Power, 9 January 2007; the Associated Press, 21 February 2007.

[56] www.tcifreepress.com, 24 November 2006.

[57] www.tcifreepress.com, 19 January 2007.

[58] www.jamaica-gleaner.com, 7 April 2006.

[59] As are the Cayman Islands. See E/2006/47.

[60] www.acs-aec.org, Pressrelease13, 2006.

68. As a Non-Self-Governing Territory of the United Kingdom, the Turks and Caicos Islands is associated with the European Union but not a part of it. The Territory has yet to establish its relation to the European Union's Economic Partnership Agreement.[61]

69. At the Overseas Territories Consultative Council meeting, held in London on 21 and 22 November 2006, the United Kingdom and the Overseas Territories represented at the Council, including the Turks and Caicos Islands, inter alia, agreed in principle that the United Nations Convention against Corruption would be extended to the Overseas Territories at the earliest opportunity.[62]

70. Information on United Nations system activities involving the Turks and Caicos Islands, including on consultations concerning the International Labour Conventions and the International Labour Recommendations, can be found in document E/2006/47.

VII. Future status of the Territory

A. Position of the territorial Government

71. The position of the territorial Government regarding the future status of the Turks and Caicos Islands is discussed in chapter II above in connection with the constitutional modernization review exercise.

B. Position of the administering Power

72. On 24 April 2006, while visiting the Turks and Caicos Islands, Overseas Territories Minister Lord Triesman took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper,[63] and reiterated the approach of the United Kingdom as follows:

> "As the White Paper made clear, the United Kingdom will always be ready to help any Territory become independent where this is an option and if that is the clear and settled will of the people. The United Kingdom has no desire for any Territory to remain British against its people's wishes. We have no continuing colonial objectives.
>
> "However, if the people of a Territory wish to retain the British link, then the United Kingdom will continue to honour its responsibilities for it. But I am, and I should be, answerable to the United Kingdom Parliament for the Territories. As long as the United Kingdom retains those responsibilities, it needs to be in a position where it can discharge them properly. And that means that the United Kingdom needs to retain a sufficient level of powers to do this.

[61] See European Union publication entitled "Caribbean Economic Partnership Agreement", 2006, p. 13.

[62] http://www.fco.gov.uk, 23 November 2006. (The British Virgin Islands had already agreed to this and all the other territories had signified their agreement in principle.)

[63] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; see A/AC.109/1999/1, annex.

"In this process, the Governor, who also represents the Territory to the United Kingdom Government, has a vital role. He or she must ensure, in partnership with the Territory Government, that high standards are maintained in key areas, such as the public service, the police, the judiciary, finance, aviation and maritime security — indeed security generally — and human rights, in the interests of the peoples of the Territory as a whole.

"In this context, it might be helpful if I set out the United Kingdom position on alternative forms of relationship, some of which I know have been discussed here in the Turks and Caicos Islands in recent weeks. United Nations General Assembly resolution 1541 (XV) set out some options for the relationship between administering Powers and Territories, including independence, integration and free association. The United Kingdom did not vote in favour of that resolution and does not regard itself as bound by it. Integration would mean the Turks and Caicos Islands or any of the other Territories becoming a full part of the United Kingdom, like the Isle of Wight. It would mean that the people of the Territory would have to pay United Kingdom taxes. And United Kingdom policy would apply in areas that have traditionally been the responsibility of the Territory Government — for example education and health.

"I do not believe that this is an option that would find favour in the Territories. Nor does it in the United Kingdom. The option of free association is also unacceptable. As defined by the United Nations, it would mean the Territory drawing up its Constitution free from any outside involvement. The United Kingdom would retain all the responsibilities for the Territory, but would not be able to ensure that it had the powers to enable it to fulfil these responsibilities. Ministers answerable to Government in Westminster cannot, and should not, put themselves in that position. So our aim is to work for a relationship with the Territory Government which satisfies the needs of both sides."[64]

73. Moreover, on 5 October 2006, in a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-first session of the General Assembly, the representative of the United Kingdom said that the criteria used by the Committee of 24 in its deliberation on whether a Non-Self-Governing Territory should be "de-listed" were outdated and failed to take account of the way that relationships between the United Kingdom and its Overseas Territories had been modernized, in a way that was acceptable to both parties.[65]

74. In a separate communication dated 9 January 2007, the administering Power expressed its belief that the Turks and Caicos Islands now enjoys a high degree of self-autonomy. The United Kingdom will support moves to independence, where this is an option, if that is the clear and constitutionally expressed wish of the majority of people in the Territory concerned. As long as the Territory chooses to retain its link with the United Kingdom, the relationship will remain one of partnership. The key is to try to reconcile the desire of the Government of Turks and Caicos Islands for greater autonomy and self-government with the responsibility of the United Kingdom to ensure good governance so as to protect the impartiality of

[64] "'A Successful Future' — Triesman Speech, Turks And Caicos Islands" 24 April 2006, www.fco.gov.uk.

[65] Information transmitted by the administering Power, 15 January 2007; see also A/C.4/61/SR.5.

the public service and the independence of the judiciary and to ensure compliance with relevant international obligations.[3]

C. Action by the General Assembly

75. On 14 December 2006, the General Assembly adopted, by a vote of 173 to none, with 4 abstentions, resolutions 61/128 A and B. Section X of resolution 61/128 B concerns the Turks and Caicos Islands.